

# **ANNUAL DISCLOSURE REPORT**

**YEAR ENDING JUNE 30, 2011**

## **CITY OF RIVERSIDE ELECTRIC PUBLIC UTILITIES**

**2008ABC VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS  
BONDS DATED May 1, 2008**

**CUSIP NUMBERS 768874PS2, 768874PT0 &  
768874PU7**

Prepared by  
City of Riverside

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RIVERSIDE PUBLIC UTILITIES

CONTINUING DISCLOSURE INFORMATION - 2008ABC ELECTRIC BONDS \$199,115,000  
FISCAL YEAR ENDED JUNE 30, 2011

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report.

1. Also enclosed is the City of Riverside Electric Utility 2010/11 Audited Financial Statements
2. The principal amount of the 2008ABC Bonds outstanding at June 30, 2011 was \$140,965,000.
3. The Reserve Account Requirement for the 2008A and C bonds was \$6,411,745 and \$4,348,971 respectively, and \$0 for 2008 Series B (refunded April 4, 2011), as of June 30, 2011.
4. Electric System Facilities

Utility Plant (less accumulated depreciation)	\$ 637,269,000
Construction in Progress	39,787,000
Distribution	
Overhead Circuit Miles	517
Underground Circuit Miles	791
Street Light Circuit Miles	1,013

5. Annual Electricity Supply

Resource	MWh	Percentage
IPP Generating Station .....	895,600	42.1%
Firm Contracts (Deseret, BPA, and others) .....	464,200	21.8
SONGS .....	284,900	13.4
PVNGS .....	102,000	4.8
Hoover Upgrading Project .....	32,900	1.5
RERC/Springs/Clearwater Generating Project .....	47,300	2.2
Renewable Resources .....	385,700	18.1
Net Exchange In/(Out).....	(83,900)	(3.9)
Total .....	<u>2,128,700</u>	<u>100.0%</u>

6. Total Energy Generated and Purchased and Peak Demand

From Own Generation (MWh)	332,600
From Other Sources (MWh)	<u>1,796,100</u>
System Total (MWh)	<u>2,128,700</u>
System Native Load (MWh)	2,009,000
System Peak Demand (MW)	579.7

7. Number of Meters

Residential	95,676
Commercial	10,185
Industrial	908
Other	<u>86</u>
Total - All Classes	<u><u>106,855</u></u>

8. Energy Sold (millions of kWh)

Residential	666
Commercial	400
Industrial	912
Wholesale	7
Other	<u>31</u>
Total kWh sold	<u><u>2,016</u></u>

9. City Council approved a 4-year rate increase on December 1, 2006, and December 4, 2007, respectively as follows:

<u>Effective Date</u>	<u>Overall System</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
January 1, 2007	3.5%	2.1%	5.2%	4.7%
January 1, 2008	10.0%	13.5%	10.5%	8.9%
January 1, 2009	3.6%	3.7%	5.2%	2.8%
January 1, 2010	5.8%	8.6%	4.8%	5.4%

10. Revenues From Sales of Electricity (in thousands)

Residential	\$ 107,792
Commercial	64,039
Industrial	102,067
Other sales	5,529
Wholesale	124
Transmission	<u>22,091</u>
Total	<u><u>\$ 301,642</u></u>

11. Average Billing Price (Cents Per Kilowatt-Hour)

Residential	16.2
Commercial	16.0
Industrial	11.2
Other	18.1
Average - All Classes Combined	13.9

12. Summary of Operations and Debt Service Coverage (in thousands)

Operating revenues	
Residential	\$ 107,792
Commercial	64,039
Industrial	102,067
Other sales	5,529
Wholesale	124
Transmission	22,091
Other operating revenue	<u>4,015</u>
Total operating revenues, before (reserve)/recovery	305,657
Reserve for uncollectible, net of recovery	<u>(1,021)</u>
Total operating revenues, net of (reserve)/recovery	\$ <u>304,636</u>
Investment income	10,368
Contributions in aid	2,058
Non-Operating revenues	<u>2,117</u>
Total revenues	<u>\$ 319,179</u>
Operating expenses	
Nuclear production (excludes nuclear fuel burn)	16,582
Purchased power (excludes amortization of prepaid power)	110,930
Transmission expense	40,434
Distribution expenses	13,175
Customer account expenses	6,731
Customer service expenses	1,510
Administration & general expenses	12,422
Clearing & Miscellaneous expenses	<u>11,094</u>
Total expenses	<u>\$ 212,878</u>
Net Operating Revenues Available for Debt Service and Depreciation	<u>\$ 106,301</u>
Debt Service Requirements on 2001, 2003, 2004, 2008, 2009, 2010 and 2011 Bonds	\$ 48,116
Debt Service Coverage	2.21

13. Outstanding Debt of Joint Powers Agencies (In Thousands)

	Total <u>Principal</u>	<u>%</u>	City of Riverside Electric Public Utilities <u>Share</u>
IPA			
Intermountain Power Project <sup>(1)</sup>	\$ 2,415,133	7.617%	\$ 183,961
SCPPA <sup>(2)</sup>			
Palo Verde	79,440	5.4%	4,290
STS	848,105	10.2%	86,507
Hoover Dam	12,955	31.9%	4,133
Mead-Phoenix	55,745	4.0%	2,230
Mead-Adelanto	<u>176,950</u>	13.5%	<u>23,888</u>
	<u>\$ 3,588,328</u>		<u>\$ 305,009</u>

<sup>(1)</sup> Includes certain unamortized refunding charges.

<sup>(2)</sup> Total before unamortized bond discount and refunding charge.

## CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Significant Events

There has been no occurrence of the following significant events with respect to the 2008 VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS, SERIES A/B/C \$199,115,000, except that relative to items 4, 5, and 6 as described below.

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Modification to rights of Bondholders.
4. Optional, contingent or unscheduled Bond calls - On May 2, 2011 the 2008 Refunding Electric Revenue Bonds, Series B were called.
5. Defeasances – 2008 Variable Rate Refunding Electric Revenue Bonds, Series B were defeased with proceeds from the 2011 Refunding Electric Revenue Bonds, Series A on April 28, 2011.
6. Rating changes – On September 21, November 29, and December 15, 2011 Moody's, Standard & Poor's, and Fitch decreased their rating on Bank of America N.A. from "Aa3, A+, A+" to "A2, A, A" respectively. Bank of America N.A. provides a letter of credit and standby purchase agreement guaranteeing the payment of principal and interest on the bonds.
7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. Unscheduled draws on debt service reserves reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of the credit or liquidity providers or their failure to perform.
11. Release, substitution or sale of property securing repayment of the Bonds.